

UNITED STATES DEPARTMENT OF AGRICULTURE

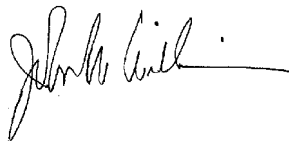
Farm Service Agency
Washington, DC 20250

Notice PM-2373

For: All FSA Federal National Office, Kansas City, and St. Louis, MO Employees

**Authorities for Voluntary Separation Incentive Payments (VSIP's)
and Voluntary Early Retirements (VERA's)**

Approved by: Deputy Administrator, Management



1 Overview

A Background

FSA is currently conducting a competitive sourcing (or A-76) study of 148 positions located in Washington, DC, Kansas City, MO, and St. Louis, MO. The outcome of the A-76 study will determine the number of employees affected. The actual number of positions to be reduced should be known by the end of November 2003.

FSA has received authorities for VERA's or "early outs" and VSIP's or "buyouts" of up to a maximum of \$25,000. **These authorities will be used only to achieve the necessary staff reductions associated with this A-76 study.**

Note: VERA will not be approved without VSIP. Therefore, eligibility for VSIP must be met before applicants are eligible for VERA.

The latest information on competitive sourcing is located online at **<http://dc.ffasintranet.usda.gov/hrd/A-76/a76.htm>**. A list of studied positions is located online at **http://dc.ffasintranet.usda.gov/hrd/A-76/position_listings.htm**.

Disposal Date

August 1, 2004

Distribution

All FSA Federal National Office, Kansas City,
and St. Louis, MO employees

1 Overview (Continued)

B Purpose

This notice announces an opportunity for all eligible employees to voluntarily apply for VSIP's by October 24, 2003, with an effective separation date of no earlier than December 13, 2003, and no later than May 1, 2004. For operations to continue, some employees who are separating may not be released until May 1, 2004. While management will consider an employee's requested release date, the actual release date will be determined based on the need to continue operations.

C Labor Management Obligations

Where exclusive representation exists, bargaining may be requested to the extent allowed by applicable statutes. Where contract language already addresses these policies and procedures for bargaining unit employees, contract language prevails.

2 Voluntary Separation Incentive Payments Program

A Applications Procedures

To be considered for VSIP, employees must submit a signed, completed copy of FSA-334 (Exhibit 1). Employees are requested to submit FSA-334 as soon as possible. If FSA-334 is not received in HRD by **October 24, 2003**, the employee will **not** be considered for VSIP.

FSA-334 shall be sent to HRD using either of the following methods:

- by FAX, to 202-418-9123 or 202-418-9120
- in person, to:

2101 L Street, NW
5th Floor, Room 5000
Washington, DC.

Note: The original FSA-334 with original signature is not required.

HRD shall send applicants an acknowledgment when FSA-334 is received. All applicants will subsequently be notified whether their buyouts are approved or not approved.

Note: FSA-334 is available at <http://165.221.16.90/DAM/ffasforms/forms.html>.

2 Voluntary Separation Incentive Payments Program (Continued)

B Eligibility Requirements

FSA Federal employees are eligible to apply for VSIP if they:

- are permanent full-time or permanent part-time employees
- separate by resignation, early retirement, or regular retirement (except disability retirement) no earlier than December 13, 2003, and no later than May 1, 2004

Exception: Employees may use annual leave after May 1, 2004, to establish initial retirement eligibility. Employees may **not** use sick leave or donated leave to establish initial retirement eligibility.

- are a **GS/GM-13 and below** in the following duty stations and occupational groups.

Duty Station	Occupational Group	Comments
Washington, DC commuting area	All positions in the 0200, 0300 (see explanation below)	VSIP's are being used to achieve staff reductions in the A-76 study areas. Approvals will be based on the need to achieve the required reductions with minimal disruption. Priority will be given first to individuals in the studied positions. Second consideration will be given to volunteers from the Division where the studied positions are located and finally to volunteers from other organizations.
Kansas City, MO commuting area	All positions in the 0200, 0300, 0500, 0900, 1700, 2200 (see explanation below)	
St. Louis, MO commuting area	All positions in the 0200, 0300, 0500 (see explanation below)	

Explanation:

0200: Human Resources Management Group to include Specialist and Assistant positions, Equal Employment Opportunity series to include Specialist and Assistant positions

0300: General Administrative, Clerical and Office Services Group (such as Management Analyst, Electronic Publishing Specialist, Correspondence Policy Specialist, Staff Assistant, and Secretary)

0500: Accounting and Budget Group to include Specialist and Assistant positions

0900: Legal and Kindred Group (such as Paralegal Specialist)

1700: Education Group (such as Training Specialist)

2200: Information Technology Group.

2 Voluntary Separation Incentive Payments Program (Continued)

C Employees Ineligible for VSIP's

The following FSA employees are **not** eligible to apply for VSIP's:

- a re-employed annuitant
- an employee who has been approved for a disability retirement
- an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance
- an employee covered by statutory re-employment rights who is on transfer to another organization
- an employee who previously received VSIP and has not repaid it
- any employee who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus
- any employee who, during the 12-month period preceding the date of separation, has received a retention allowance.

2 Voluntary Separation Incentive Payments Program (Continued)

D Amount of Payment

The VSIP amount is:

- taxable when payment is processed
- not discretionary
- the lesser of the following:
 - a lump-sum payment that is equal to the employee's calculated severance pay entitlement
 - \$25,000.

Separation incentive payments are based on the standard severance pay calculation. However, by law, VSIP must not exceed \$25,000.

Severance pay equals 1 week's basic pay for each of the first 10 years of creditable Federal service, plus 2 weeks of basic pay for each year of creditable service over 10 years. In addition, an age factor applies, which increases the amount by 10 percent for every year an employee is over 40 years old.

Reminder: Since the decision to resign or retire is voluntary, employees who receive VSIP are not eligible for an additional severance pay benefit.

E Separation Agreements

Employees completing FSA-334 are agreeing that:

- the decision to resign or retire under these circumstances is entirely voluntary
- the incentive payment will be repaid if they are re-employed by, or enter into a personal service contract with, the Federal Government or an FSA County Office within 5 years of the date of the separation on which the separation pay is based.

F Delayed Separation Date

All VSIP applicants must agree to separate no later than May 1, 2004, to receive VSIP. No extensions will be granted, except in those cases where employees use annual leave past May 1, 2004, to establish initial retirement eligibility.

G VSIP Payment Date

VSIP payments shall be made within 60 calendar days of the effective separation date.

3 Retirement Eligibility

A Regular Optional Retirement

CSRS- and FERS-covered employees are eligible for an immediate annuity under regular optional retirement when they are age:

- 55 with 30 or more years of service (CSRS)
- 60 with 20 or more years of service (CSRS and FERS)
- 62 with 5 or more years of service (CSRS and FERS)
- minimum retirement age (MRA) with 30 or more years of service - age 55-57 depending on year born (FERS)
- MRA with 10 years with reduction (FERS).

Note: CSRS employees must have served in a position covered by CSRS for at least 1 year of the 2 years immediately preceding retirement.

B Voluntary Early Retirement

CSRS- and FERS-covered employees are eligible for an immediate annuity under voluntary early retirement:

- when they are at least age 50 with 20 years of service
- at any age with 25 or more years of service.

Note: If applying for early retirement, employees must meet the eligibility requirements for early retirement by the separation date.

CSRS employees:

- must have served in a position covered by CSRS for at least 1 year of the 2 years immediately preceding retirement
- will have the basic annuity reduced by 2 percent for each year (1/6th of 1 percent for each full month) an employee is under age 55 at the time of retirement. This is a permanent reduction in the annuity.

Under FERS, there is no age reduction for voluntary early retirement, but if an employee who transferred to FERS is entitled to a CSRS component, the CSRS component will be subject to the 2-percent age reduction rule when the employee is under age 55.

3 Retirement Eligibility (Continued)

C FERS MRA + 10 Retirement

FERS employees who are not eligible for voluntary early retirement are eligible for an immediate annuity if they have:

- at least 10 years of service
- reached the minimum retirement age (MRA) (55 if born before 1948, and gradually increasing to 57).

This type of benefit is referred to as MRA + 10 retirement and is subject to an age reduction of 5 percent for each year (5/12th of 1 percent for each full month) an employee is under age 62 at the time of retirement. An employee can separate and elect to reduce or eliminate the age reduction by postponing the annuity commencing date.

Note: FERS employees who meet the eligibility requirements for the voluntary early retirement and the MRA + 10 retirement are not subject to the 5-percent-per-year reduction for being under age 62.

Example: If an employee is age 57 and has 25 years of service, the employee can separate under the voluntary early retirement provisions without the age reduction for being under age 62.

D Crediting Unused Sick Leave

CSRS employees will receive credit for any unused sick leave in the computation of their annuity.

FERS employees do not receive credit for unused sick leave in the computation of their annuity.

Exception: Employees who transferred to FERS and will receive a CSRS component in the annuity computation will receive credit for the lesser of the following:

- sick leave balance as of date of transfer to FERS
- sick leave balance as of date of retirement.

Unused sick leave will not be used in determining eligibility for retirement.

3 Retirement Eligibility (Continued)

E Types of Deposit and Redeposit Service

The following types of service may have an effect on determining eligibility for retirement and in computing the annuity.

Type of Service	Explanation
Deposit	Creditable civilian service during which retirement deductions were not withheld.
Redeposit	Creditable civilian service where retirement deductions were withheld, but later refunded after a separation.
Post-1956 Military	Active duty military service performed after December 31, 1956.

Employees who have any of these types of service should contact their servicing human resources office to determine what effect nonpayment of the deposit or redeposit will have on their retirement eligibility and annuity computation.

F Eligibility for FERS Annuity Supplement

FERS employees are immediately eligible for the retiree annuity supplement at the time of retirement if they:

- are under age 62
- have at least 1 calendar year of FERS service
- retire:
 - under regular optional retirement
 - at or over MRA under voluntary early retirement.

FERS employees are eligible for the retiree annuity supplement upon attaining MRA, rather than at the time of retirement, if they:

- are under age 62
- have at least 1 calendar year of FERS service
- retire before MRA under voluntary early retirement.

3 Retirement Eligibility (Continued)

F Eligibility for FERS Annuity Supplement (Continued)

FERS employees are not eligible for the retiree annuity supplement at any time when:

- retiring under the MRA + 10 provision
- eligible only for deferred annuity
- retiring at age 62 or later.

The retiree annuity supplement is payable until age 62.

G Continuing Health Insurance into Retirement

OPM has waived the 5-year requirement for continuing health insurance into retirement for eligible employees.

Employees who are enrolled in a FEHB plan, and who meet 1 of the following conditions are eligible to continue FEHB into retirement:

- a regular optional retirement with VSIP
- an early out voluntary retirement with or without VSIP
- MRA + 10 retirement with VSIP.

H Continuing Life Insurance into Retirement

OPM has **not** waived the 5-year requirement for continuing life insurance into retirement. Therefore, retiring employees must have been insured under the FEGLI Program for either of the following to continue coverage into retirement:

- for the 5 years of service immediately before retirement
- for all of their service during which they were eligible for FEGLI coverage if less than 5 years.

4 Additional Retirement and VSIP Information

A Additional Information and Counseling

To help employees make this important decision, human resources specialists in the servicing human resources offices are available for counseling services.

Human resources specialists can provide employees with computations of VSIP and, if eligible, an estimated retirement annuity. Formal counseling sessions are also available for employees and their spouses and can be scheduled by contacting their servicing human resources office.

Important: FSA-334 must be received in HRD for approval. Employees will complete additional separation documents after they have been approved for a buyout.

Employees shall use the following table to obtain the appropriate contact. Because of the anticipated level of interest, employees are encouraged to request calculations as soon as possible.

IF employed in...	THEN contact...
National Office	<ul style="list-style-type: none"> for retirement information and/or application, any of the following employees in the Performance Management, Benefits, and Awards Branch, Human Resources Division (HRD), Washington, DC: <ul style="list-style-type: none"> Darla Hensley at 202-418-9021 Susan Brown at 202-418-9039 Maria Ruiz at 202-418-9034 for VSIP computations only, e-mail: shaina_neff@wdc.usda.gov <p>Note: The TTY telephone number is 202-418-9116.</p>
<ul style="list-style-type: none"> Kansas City St. Louis 	<ul style="list-style-type: none"> for retirement information and/or application: <p>KCAO, Human Resources Division Employee and Labor Relations Branch at 816-926-6643</p> for VSIP computations only, e-mail: ccdempsey@kcc.usda.gov <p>Note: The TTY telephone number is 800-735-2966.</p>

FSA-334, Application to Retire or Resign With Voluntary Separation Incentive Payment (VSIP)

This form is available electronically.

FSA-334 (09-25-03)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	
APPLICATION TO RETIRE OR RESIGN WITH VOLUNTARY SEPARATION INCENTIVE PAYMENT (VSIP)			
1. NAME (Last, First, Middle Initial)		3. POSITION TITLE	
2. SOCIAL SECURITY NO:		4. PAY PLAN, SERIES, GRADE	
5. HOME ADDRESS		8A. EMPLOYING AGENCY:	
		8B. OFFICE (Include Division, Branch and Section or State Name as applicable):	
6. E-MAIL ADDRESS		9A. DUTY LOCATION ADDRESS	
7. HOME TELEPHONE (Include Area Code)		9B. OFFICE PHONE (Include Area Code)	9C. FAX NO. (Include Area Code)
10. REQUEST TO RETIRE OR RESIGN			
<input type="checkbox"/> I have met the age and service requirement for early retirement. <input type="checkbox"/> I have met the age and service requirement for regular retirement. <input type="checkbox"/> I wish to resign.			
I hereby request to retire or resign with a voluntary separation incentive payment and an effective separation date between December 13, 2003 and May 1, 2004. My proposed separation date is (date) _____. My decision to retire or resign is entirely voluntary and has not been coerced. <input type="checkbox"/> I am using annual leave past May 1, 2004 in order to establish initial retirement eligibility.			
I understand that if I volunteer to separate from my current employment and receive a VSIP, I will be responsible for repaying the entire incentive payment if I am reemployed by the Federal Government or with an FSA County Office in the next 5 years, either by appointment or personal services contract.			
In order to receive a VSIP, I further understand that, if I am selected, I agree to separate no later than May 1, 2004, except when using annual leave to establish initial retirement eligibility.			
I understand that my employing agency is under no obligation to pay me a VSIP until I actually separate by retirement or by resignation in accordance with this agreement.			
I understand that management retains the right to cancel this agreement based on my employing agency's financial considerations or mission accomplishment.			
11. Signature		12. Date (MM-DD-YYYY)	
FAX to: (202) 418-9123 or (202) 418-9120 (If FAXed, do not send original in mail.)		MUST BE RECEIVED BY OCTOBER 24, 2003	
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication or program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</small>			